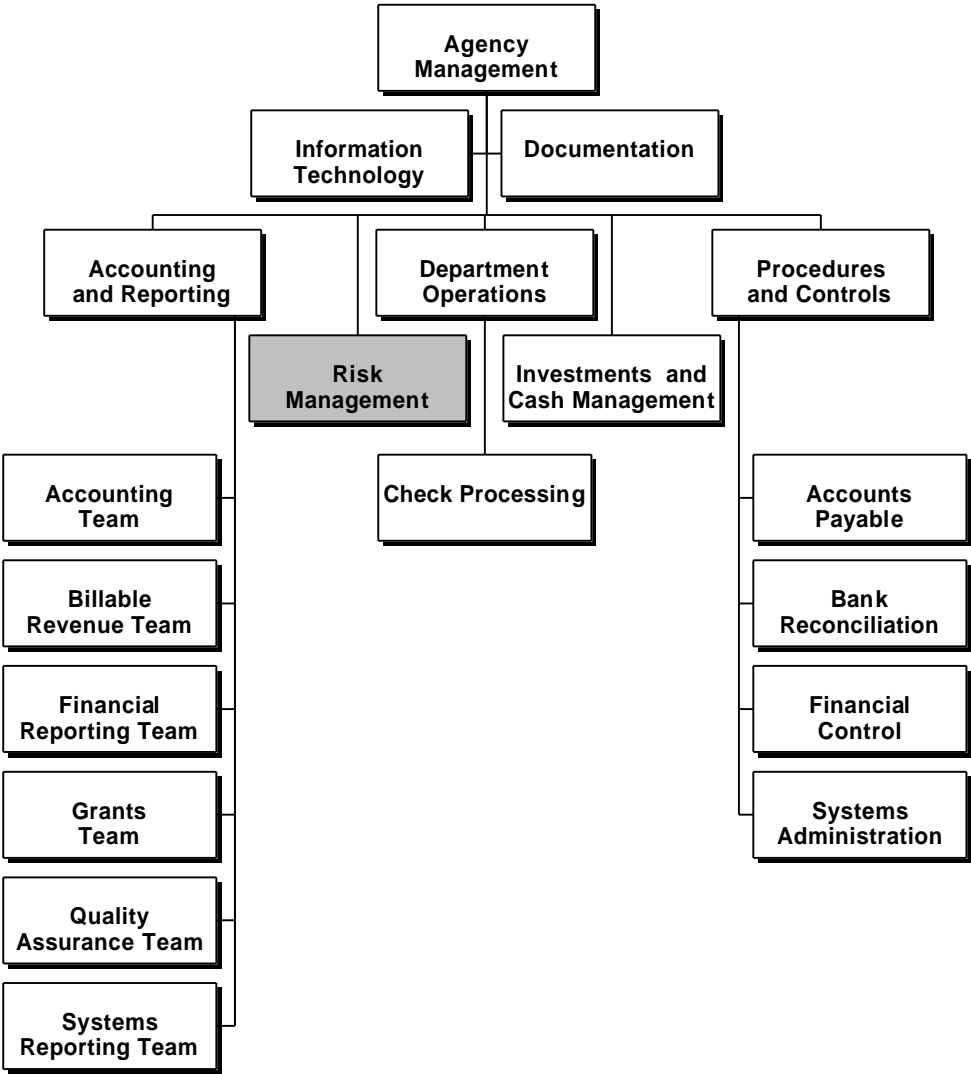


DEPARTMENT OF FINANCE



Risk Management is reflected in Fund 501, County Insurance Fund.

DEPARTMENT OF FINANCE

Agency Position Summary

Fund 001:	73	Regular Positions (1)	/	73.0	Regular Staff Years (1.0)
Fund 501:	<u>13</u>	Regular Positions	/	<u>13.0</u>	Regular Staff Years
	86	Total Positions (1)	/	86.0	Total Staff Years (1.0)

Position Detail Information

AGENCY MANAGEMENT

1	Director
2	Deputy Director
1	Financial Operations Manager
1	Secretary III
<u>1</u>	Secretary II
6	Positions
6.0	Staff Years

Information Technology

1	Network Analyst III
<u>2</u>	Network Analysts I
3	Positions
3.0	Staff Years

Documentation

<u>1</u>	Accountant III
1	Position
1.0	Staff Year

Department Operations

1	Management Analyst III
1	Administrative Aide
<u>2</u>	Account Clerks II
4	Positions
4.0	Staff Years

Check Processing

<u>1</u>	Accounting Technician
1	Position
1.0	Staff Year

INVESTMENTS AND CASH MANAGEMENT

1	Investment Manager
3	Investment Analysts
<u>1</u>	Account Clerk II
5	Positions
5.0	Staff Years

ACCOUNTING AND REPORTING

<u>1</u>	Chief Finance Division
1	Position
1.0	Staff Year

Accounting Team

1	Accountant III
3	Accountants II
<u>1</u>	Accounting Technician
5	Positions
5.0	Staff Years

Billable Revenue Team

1	Accountant III
1	Accountant II
<u>1</u>	Accountant I
3	Positions
3.0	Staff Years

Financial Reporting Team

1	Accountant III
<u>3</u>	Accountants II
4	Positions
4.0	Staff Years

Quality Assurance Team

1	Accountant III
2	Accountants II
<u>1</u>	Account Clerk II
4	Positions
4.0	Staff Years

Systems Reporting Team

1	Accountant III
<u>2</u>	Accountants II
3	Positions
3.0	Staff Years

Grants Team

1	Accountant III
1	Accountant II
<u>1</u>	Account Clerk II
3	Positions
3.0	Staff Years

PROCEDURES AND CONTROLS

1	Chief Finance Division
1	Management Analyst III (1)
<u>1</u>	Secretary I
3	Positions (1)
3.0	Staff Years (1.0)

Accounts Payable

1	Accountant III
2	Accounting Technicians
2	Administrative Aides
<u>8</u>	Account Clerks II
13	Positions
13.0	Staff Years

Systems Administration/Financial Control

1	Accounting Technician
1	Account Clerk II
1	Administrative Aide
2	Business Analysts III
2	Business Analysts II
<u>2</u>	Business Analysts I
9	Positions
9.0	Staff Years

Bank Reconciliation

1	Accounting Technician
1	Administrative Aide
<u>3</u>	Account Clerks II
5	Positions
5.0	Staff Years

RISK MANAGEMENT

1	<i>Risk Manager</i>
<u>1</u>	<i>Administrative Aide</i>
2	<i>Positions</i>
2.0	<i>Staff Years</i>

Insurance Management

<u>1</u>	<i>Insurance Manager</i>
1	<i>Position</i>
1.0	<i>Staff Year</i>

Positions shown in italics are funded in Fund 501, County Insurance Fund.

() Denotes new position

DEPARTMENT OF FINANCE

Claims Management

1	<i>Claims Manager</i>
1	<i>Claims and Rehabilitation Supervisor</i>
1	<i>Rehabilitation Specialist</i>
1	<i>Rehabilitation Tech.</i>
2	<i>Claims Specialists</i>
1	<i>Clerical Specialist</i>
7	<i>Positions</i>
7.0	<i>Staff Years</i>

Employee Safety

1	<i>Safety Manager</i>
1	<i>Safety Analyst</i>
2	<i>Positions</i>
2.0	<i>Staff Years</i>

Operational Analysis

1	<i>Risk Analyst</i>
1	<i>Position</i>
1.0	<i>Staff Year</i>

Positions shown in italics are funded
in Fund 501, County Insurance Fund.

() Denotes new position

DEPARTMENT OF FINANCE

Agency Mission

To protect and maintain the fiscal integrity and financial solvency of the County government.

Agency Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	70/ 70	70/ 70	72/ 72	73/ 73	73/ 73
Expenditures:					
Personnel Services	\$2,916,792	\$3,306,748	\$3,346,732	\$3,730,918	\$3,886,721
Operating Expenses	1,985,212	2,693,062	2,940,008	3,149,908	2,792,480
Capital Equipment	32,094	0	0	6,500	6,500
Subtotal	\$4,934,098	\$5,999,810	\$6,286,740	\$6,887,326	\$6,685,701
Less:					
Recovered Costs	(\$213,383)	(\$218,852)	(\$218,852)	(\$218,852)	(\$218,852)
Total Expenditures	\$4,720,715	\$5,780,958	\$6,067,888	\$6,668,474	\$6,466,849
Income:					
State Shared Retirement	\$11,200	\$12,140	\$12,140	\$12,383	\$12,383
State Shared Finance	389,573	403,537	403,537	411,608	411,608
Total Income	\$400,773	\$415,677	\$415,677	\$423,991	\$423,991
Net Cost to the County	\$4,319,942	\$5,365,281	\$5,652,211	\$6,244,483	\$6,042,858

Summary by Cost Center					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Agency Management	\$2,234,602	\$2,727,506	\$2,806,436	\$3,287,034	\$3,102,893
Investments and Cash					
Management	255,645	281,537	281,537	347,154	349,718
Accounting and Reporting	1,094,996	1,506,565	1,714,565	1,672,188	1,639,266
Procedures and Controls	1,135,472	1,265,350	1,265,350	1,362,098	1,374,972
Total Expenditures	\$4,720,715	\$5,780,958	\$6,067,888	\$6,668,474	\$6,466,849

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2002 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2001:

- The 1.0 percent cost-of-living adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$201,835.
- A decrease of \$403,460 as part of the \$15.8 million Reduction to County Agencies and Funds approved by the Board of Supervisors. This reduction includes a decrease of \$4,238 in professional development training as well as \$49,222 for 1/1.0 Accountant III position and \$350,000 in mainframe charges based on a delay in wiring of County agencies. The reduction results in a decrease of \$46,032 in Personnel Services and \$357,428 in Operating Expenses.

DEPARTMENT OF FINANCE

The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan from January 1, 2001 through April 23, 2001. Included are all adjustments made as part of the FY 2001 Third Quarter Review:

- An increase of \$39,984 in Personnel Services to support 1/1.0 SYE redirected position approved by the County Executive.
-

County Executive Proposed FY 2002 Advertised Budget Plan

Purpose

In FY 2002, the Department of Finance will continue collecting non-tax revenue; ensuring accurate processing of financial transactions; identifying and mitigating risk of loss of County financial resources; and ensuring timely reporting of financial data to the governing body, rating agencies, and constituents.

Key Accomplishments

- ◆ In FY 2001, the agency completed the final stages of replacing its obsolete check-writing system with laser printer capability. Over a two-year period, a more efficient and less expensive check writing system has been introduced to the County Schools and six other check-issuing systems. The new laser technology has reduced the cost of printing from \$0.42 to \$0.16 per check.
- ◆ The Department of Finance continues to receive local and national recognition. Each year since 1977, the County's Comprehensive Accounting Financial Report (CAFR) has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association (GFOA). In order to achieve this award, a government unit must publish an easily read and efficiently organized CAFR, whose content conforms to program standards. In addition, in six of the past seven fiscal years, the external auditors cited no material weaknesses in the County's internal controls.
- ◆ During FY 2000, the County's written Investment Policy was awarded certification for the second year in a row by the Municipal Treasurer's Association. Out of 241 jurisdictions in Virginia, the County is only one of five that received certification.
- ◆ Effective for FY 2001, the Administrative Charge calculation method, which is assessed for interest on investment management, was changed to a percentage of assets under management. As a result of the calculation revision, actual administrative charges incurred by each fund decreased from approximately 0.56 percent to 0.30 percent. This method is consistent with industry standards and increased the amount of interest earnings retained by each fund.
- ◆ Technology initiatives have allowed bidding \$88 million of the County's 2000 General Obligation Bond Series A via the Internet. The implementation of a new bank service, "Electronic Positive Pay", has provided efficient and accurate control over check disbursements and maximized protection against the potential for check fraud. The Internet and the departmental Intranet, called "InfoWeb" was used to post key departmental information and facilitate services for Positive Pay, Stop Payments, and Balance Reporting.

DEPARTMENT OF FINANCE

- ◆ The Investment and Cash Management (ICM) staff initiated the automation of the treasury management function of the County's \$1.5 billion investment portfolio through the acquisition and installation of a Treasury Workstation. The software will automate data collection, analysis/reporting, and cash mobilization associated with day-to-day treasury operations. The implementation of Treasury Workstation software will also optimize investment and cash management operations, significantly enhance internal control procedures, reduce bank fees, provide accurate accounting and financial reports previously not available in the County's accounting system, establish disaster recovery back-up, and increase investment returns through strategic control of cash.

FY 2002 Initiatives

- ◆ Create a support and compliance team to conduct continual review of the efficiency, compliance, and efficacy of decentralized finance functions. Decentralized support carries increased risk of degraded internal control and greater potential for costly waste, fraud, and abuse. With the addition of 1/1.0 SYE Management Analyst III position, this team will work with the Department of Purchasing and Supply Management in conducting on-site visits of all County agencies to assure that internal controls are in place to support operations and to ensure the integrity of the financial processes. The team will identify "best practices" and share those efforts with other agencies. This countywide effort is expected to also identify automation improvement opportunities and to be proactive in encouraging process review and expansion of the competitive approach to assigning functions to the most efficient work unit.
- ◆ Participate actively in efforts to investigate future alternatives for the existing legacy financial systems.
- ◆ Conduct a thorough analysis of the benefits of enhancing existing FAMIS and CASPS systems by overlaying Web-enabling software. Determine the cost/benefit of such an enhancement.
- ◆ Expand the use of various forms of electronic commerce as a standardized County payment method.
- ◆ Issue a request for proposals and select a vendor to manage all of the County's lockbox processing, cash management, and custodial/trust management services.
- ◆ Continue the implementation of the Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, otherwise known as GASB 34 or the New Reporting Model. The new standards change the entire reporting process for local governments. Extensive time and effort will be required to prepare for this mandate. The standards require new entity-wide financial statements, in addition to the current fund statements, and other additional reports such as the Management Discussion and Analysis (MD&A). This is a considerable change from the current reporting structure. Infrastructure will have to be reported, and various changes in accounting will need to be implemented. Full implementation of the standard is expected by July 1, 2001, except for the requirements to capitalize and depreciate general governmental infrastructure assets for which an additional three-year, phase-in period is permitted.
- ◆ Provide guidance and training to County agencies impacted by the financial reporting changes brought about by GASB 34, to help ensure the County's timely and successful implementation of GASB 34. Management also will provide the necessary training and guidance to staff, to assist them in the mission critical requirement that the County be in compliance with the technically complex financial requirements of the new GASB 34 reporting model.

DEPARTMENT OF FINANCE

Performance Measurement Results

In the area of Investment and Cash Management, the agency purchased 642 new investments with one non-compliance item for an accuracy rate of 99.84 percent and exceeded the benchmark rolling average of the 6-month Treasury Bill by 23 basis points to yield 5.20 percent in FY 2000. Cash payment transactions increased from 5,243 in FY 1999 to 5,645 in FY 2000 while reducing time spent from 0.26 staff hours for each banking transaction in FY 1999 to 0.11 staff hours in FY 2000. An instance of dramatic improvement was achieved in the increased banking service transactions processed from 144 in FY 1999 to 468 transactions in FY 2000, with a 99 percent accuracy rate. Automation of the entire check printing process reduced the cost of printing from \$0.42 per check in FY 1999 to \$0.16 per check in FY 2001.

The Department of Finance received, once again, the coveted Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report, which demonstrates the County's commitment to providing its citizens and creditors with the best possible financial reporting data. This accomplishment helps the County maintain its "triple A" credit ratings from the three major bond rating agencies. In addition, the County's Sewer Revenue bonds were upgraded from "AA" to "AAA" by one of the major bond rating agencies and the Department continued to receive an "AAA" bond rating for the County's General Obligation bonds, which enables the County to maintain its interest costs at the lowest possible level.

Funding Adjustments

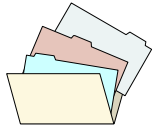
The following funding adjustments from the FY 2001 Revised Budget Plan are necessary to support the FY 2002 program:

- ◆ An increase of \$252,750 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ An increase of \$171,420 in Personnel Services for 1/1.0 SYE additional Management Analyst III position and 1/1.0 SYE Accountant III position to work with County agencies and departments in the areas of Procurement Policy and Accounts Receivable Management in order to assure that operations are more efficient, more secure, and more responsive to the requirements of sound financial policy.
- ◆ An net increase of \$209,900 in Operating Expenses comprised primarily of an increase of \$402,570 for Information Technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to provide for the timely replacement of the County's information technology infrastructure, an increase of \$15,330 for other operating expenses and a decrease of \$208,000 in professional consultation services related to the implementation of GASB 34.
- ◆ An amount of \$6,500 in Capital Equipment for an additional Multiple Compact Disc Reader/Writer for emergency preparedness.

The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan since the passage the FY 2001 Adopted Budget Plan. Included are all adjustments made as part of the FY 2000 Carryover Review and all other approved changes through December 31, 2000:

- ◆ As a part of the FY 2000 Carryover Review, an increase of \$208,000 in encumbered Operating Expenses for professional consulting services and \$38,946 in unencumbered Close Management Initiative (CMI) savings.
- ◆ In FY 2001, the County Executive approved a redirection of a position resulting in an increase of 1/1.0 SYE Accountant III for this agency to provide broad, operational oversight of the financial responsibilities for the entire Department.

DEPARTMENT OF FINANCE



Agency Management

Goal

To provide administrative services and guidance to Department of Finance employees in order to assist them in meeting their objectives; and to disburse payment, in the form of checks, for County agencies in order to meet their financial obligations.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	13/ 13	13/ 13	15/ 15	14/ 14	15/ 15
Total Expenditures	\$2,234,602	\$2,727,506	\$2,806,436	\$3,287,034	\$3,102,893

Objectives

- ♦ To process 96 percent of County check printing requests within 24 hours of receipt of request.

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Output:					
Checks requested and processed ¹	447,545	434,876	330,545 / 329,061	330,545	330,545
Service Quality:					
Percent of checks printed and routed correctly	98.0%	99.7%	99.8% / 99.8%	99.9%	99.9%
Efficiency:					
Cost per printed check processed ²	\$0.45	\$0.42	\$0.30 / \$0.35	\$0.15	\$0.16
Outcome:					
Percent of printed checks processed within 24 hours	90%	90%	95% / 95%	96%	96%

¹ Beginning in FY 2000, the Fairfax County Public Schools began printing and disbursing their own payroll checks, resulting in a reduction in checks requested and processed.

² Full cost of one-time investment in laser check printing system included in FY 1999. FY 2000 includes one-time cost for programming charges.

DEPARTMENT OF FINANCE



Investments and Cash Management

Goal

To manage all bank relationships and cash for County agencies in order to maximize available interest income and fund financial obligations.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	5/ 5	5/ 5	5/ 5	5/ 5	5/ 5
Total Expenditures	\$255,645	\$281,537	\$281,537	\$347,154	\$349,718

Objectives

- ♦ To productively invest cash assets in order to maintain a high level of safety, essential liquidity, and a reasonable return on investment commensurate with the primary goals of safety, liquidity, and yield, which translates to achieving for the portfolio a rate of return that is 26 basis points higher than the rolling average six-month Treasury Bill discounted rate.
- ♦ To ensure that the County funds all current and projected cash requirements with 95.70 percent of properly funded transactions completed on time.
- ♦ To provide oversight and support to all County banking functions ensuring cost efficient, timely, and accurate banking services with 96 percent of bank transactions completed on time.

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Output:					
Annual portfolio return achieved	5.66%	5.26%	5.30% / 5.20%	6.40%	6.61%
Total cash payment transactions conducted ¹	5,274	5,243	5,300 / 5,645	6,040	6,463
Banking service transactions processed ²	155	144	200 / 468	214	229
Efficiency:					
Work years per 100 investment transactions ³	0.39	0.34	0.33 / 0.44	0.33	0.33
Work years per 1,000 cash payment transactions	0.13	0.13	0.12 / 0.12	0.12	0.12
Staff hours per 100 banking service transactions	0.35	0.26	0.34 / 0.11	0.11	0.11
Service Quality:					
Percent of investment transactions in compliance with policy guidelines for safety, liquidity, and yield	99.86%	99.88%	99.88% / 99.84%	99.88%	99.88%
Percent of time target balance is met	96.50%	92.54%	95.70% / 97.39%	95.70%	95.70%

DEPARTMENT OF FINANCE

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Percent of transactions completed accurately	95.10%	97.40%	95.70% / 100.00%	95.70%	95.70%
Outcome:					
Spread basis points between portfolio return and average rolling 6-month Treasury bill ⁴	42	62	39 / 23	26	26
Percent of properly funded transactions completed on time ⁵	99.75%	99.85%	99.70% / 99.96%	95.70%	95.70%
Percent of correct bank transactions completed on time	95.00%	97.40%	96.00% / 100.00%	96.00%	96.00%

¹ Current estimates for FY 2001 and FY 2002 based on prior year x 7.0 percent expected revenue growth per DMB.

² FY 2000 numbers increased due to two separate signature card changes: 1) New County Executive, and 2) New Director of Finance.

³ FY 2000 higher numbers due to higher workloads. For FY 2001 and FY 2002, numbers constant with FY 1999 due to new investment analyst.

⁴ For FY 2000, FY 2001, and FY 2002: Lower basis point spread between portfolio yield and T-bill yield based on spreads between CP and T-bills 8/25/00.

⁵ For FY 2000, source was the number of journal entry corrections from the Accounting and Reporting Division (A&R), and the number of trade reversals from the Trust custodian.



Accounting and Reporting

Goal

To provide technical accounting oversight and guidance to County agencies to ensure that generally accepted accounting procedures, legal requirements, County policies and procedures are consistently applied in order to maintain the integrity of the County's accounting records and to fully meet all reporting requirements.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	23/ 23	23/ 23	23/ 23	24/ 24	23/ 23
Total Expenditures	\$1,094,996	\$1,506,565	\$1,714,565	\$1,672,188	\$1,639,266

Objectives

- ♦ To provide technical oversight of the County's accounting records by performing reconciliation of the financial records for at least 95 percent of the County agencies within 30 days after each month end to ensure that agencies adhere to County policies and procedures, State and Federal guidelines, Government Accounting Standards Board (GASB) standards, and Generally Accepted Accounting Procedures (GAAP) for recording financial transactions.

DEPARTMENT OF FINANCE

- ◆ To prepare annual financial reports and schedules which include the Comprehensive Annual Financial Report (CAFR), the Annual Report to the Auditor of Public Accounts (APA), the Statement of Treasurer's Accountability, Entity Financial Statements and statistical tables, in order to fairly present the County's financial position and operating results in conformity with GAAP, GASB, Financial Accounting Standards Board (FASB), GFOA, County, State, and Federal guidelines. To complete 100 percent of the above-mentioned reports on time and in compliance with established deadlines.
- ◆ To be awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for the County's CAFR.
- ◆ To provide technical oversight of the County's fixed asset accounting records by performing reconciliation of the financial reports of FAMIS and FAACS for at least 85 percent of the County agencies within 30 days after each month end to ensure that agencies adhere to County policies and procedures, State and Federal guidelines, GASB accounting standards, and GAAP for recording fixed assets.

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Output:					
Reconciliations completed monthly	104	104	104 / 102	102	102
Financial statements/reports prepared and published ¹	206	206	206 / 184	184	261
Financial statements/reports reviewed and/or prepared ¹	285	285	285 / 265	265	332
Fixed asset records reconciled daily ²	2,946	2,968	2,950 / 2,511	2,637	2,769
Efficiency:					
Cost per completed reconciliation and review ³	\$1,648	\$1,887	\$1,981 / \$2,187	\$2,297	\$2,411
Cost per fixed asset record reconciled ³	\$15.94	\$16.83	\$18.12 / \$20.28	\$21.29	\$22.36
Service Quality:					
Average days to complete monthly reconciliation and review	15	15	15 / 15	15	15
Management Letter issues in the Letter to the Board of Supervisors	0	0	0 / 0	0	0
Days to prepare financial reports	153	153	153 / 153	153	153
Average days to complete monthly fixed asset reconciliation and review	30	30	30 / 30	30	30
Outcome:					
Percent of monthly reconciliations completed within 30 days end of month	95%	95%	95% / 95%	95%	95%
Percent of financial statements completed on time	100%	100%	100% / 100%	100%	100%
Receipt of GFOA Certificate of Achievement for Excellence for CAFR	YES	YES	YES / YES	YES	YES

DEPARTMENT OF FINANCE

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Percent of monthly fixed asset reconciliation completed by 30 days after month end ⁴	80%	40%	85% / 85%	85%	85%

¹ The projected increase in the indicators for FY 2002 results from the required future implementation of Government Accounting Standards Board Statement No. 34, which will require full accrual, entity-wide financial statements in addition to the present financial statements prepared for each fund type. The increase in the number of financial statements will be partially offset by a reduction in the number of FCRHA financial statements resulting from the conversion to enterprise fund accounting for the housing funds.

² The change in this indicator for FY 2000 resulted from the fact that the report used last year to determine the FY 1999 actuals included FAMIS-to-FAACS interfaced transactions which were below the County's \$5,000 capitalization threshold, and were therefore not ultimately capitalized. For the FY 2000 actuals, the report did not include records below the \$5,000 capitalization threshold.

³ This indicator significantly increased in FY 2000 due to a change in the fringe benefits allocated in the cost formula. For FY 1998 and FY 1999, certain fringe benefits such as employer's share of FICA, unemployment insurance, and workers compensation insurance were not allocated in the cost formula. For FY 2000 and future years, these fringe benefits are allocated.

⁴ This indicator decreased significantly in FY 1999 due to position vacancies. Remaining staff assisted with implementation and data conversion issues related to the newly implemented FAACS system.



Procedures and Controls

Goal

To provide guidance and oversight in fiscal management practices in order to maintain proper accountability and accurate reporting of County financial matters for County agencies and external customers.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	29/ 29	29/ 29	29/ 29	30/ 30	30/ 30
Total Expenditures	\$1,135,472	\$1,265,350	\$1,265,350	\$1,362,098	\$1,374,972

Objectives

- ◆ To increase consultation visits to Accounts Payable activity sites within other agencies by 100 percent in order to share expertise and suggest opportunities for enhancements.
- ◆ To maintain the number of external agencies performing Accounts Payable processes.
- ◆ To increase the percentage of bank statements reconciled within 45 days of the close of each month from 80 percent to 85 percent, toward a target of 100 percent, thereby strengthening internal controls.
- ◆ To increase by 11 percent the number of outreach sessions performed, focusing on the changing priorities of users of the financial system.

DEPARTMENT OF FINANCE

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Output:					
Sites visited ¹	NA	25	25 / 29	30	60
Accounts Payable transactions decentralized ²	NA	175,150	180,368 / 201,179	201,179	201,179
Bank statements reconciled ³	408	384	384 / 384	384	384
Outreach sessions conducted ⁴	NA	6	7 / 6	9	10
Efficiency:					
Staff hours per site visit	NA	5	5 / 5	4	4
Staff hours per agency decentralization training	20	20	18 / 18	18	18
Cost per bank statement reconciliation	\$367	\$322	\$344 / \$344	\$353	\$343
Staff hours per outreach session	NA	20	18 / 18	18	18
Service Quality:					
Percentage of activity sites fully satisfied with site visits	NA	91%	92% / 96%	96%	97%
Percentage of activity sites fully satisfied with training and decentralization	NA	88%	89% / 83%	90%	90%
Percentage of unresolved issues 90 days old	25%	20%	15% / 15%	15%	15%
Percentage of outreach sessions rated as fully satisfactory	NA	88%	89% / 89%	90%	90%
Outcome:					
Percent change in site visits	NA	NA	0% / 16%	3%	100%
Percent change in decentralized transactions	NA	NA	3% / 15%	0%	0%
Percent of bank statements reconciled within 45 days	65%	75%	75% / 75%	80%	85%
Percent change in the number of outreach sessions conducted	NA	NA	17% / 0%	50%	11%

¹A limited number of actual visits to agency sites were made in FY 2000, however, meetings were conducted at the Government Center with various agencies to accomplish the review of internal controls and policy and procedure compliance in an effort to continue the Accounts Payable decentralization plan. The increase in FY 2002 reflects the effect of the one new position.

²The FY 2000 actual is based upon system reports listing actual decentralized documents processed.

³The number of bank statements reconciled is dependent upon the number of bank accounts that the County has in a given fiscal year. This number fluctuates as various accounts are closed and new accounts are added.

⁴Major system implementations, internal audits, and other agency projects prohibited resources from participating in as many outreach sessions as planned. More time was spent working with individual users and agencies to deal directly with issues.